

# Office of Property Management

FY 2002 Proposed Operating Budget:	\$33,820,164
FY 2002 Proposed Capital Budget:	\$23,076,605
FY 2002 – FY 2007 Proposed Capital Improvements Plan:	\$40,881,211

The mission of the Office of Property Management is to meet the needs of our clients by providing a building and work environment of the highest quality and services that meet industry best standards of excellence. The core values that infuse our efforts are quality, integrity, a sense of community and a genuine commitment to people.

**The FY 2002 proposed operating budget totals \$33,820,164, a decrease of \$998,597, or 2.9 percent, from the FY 2001 approved budget.**

## Budget Summary

The FY 2002 proposed operating budget for the Office of Property Management (OPM) from all funding sources totals \$33,820,164, a decrease of \$998,597, or 2.9 percent, from the FY 2001 approved budget (table AM0-1). The FY 2002 decrease is primarily attributable to savings initiatives during FY 2001, partially offset by a \$2,500,000 increase for the “Omnibus Government Real Property Asset Management Reform Act of 1999.” There are 206 full-time equivalents (FTEs) supported by this budget, a decrease of 76 FTEs from FY 2001 (table AM0-2).

The FY 2002 proposed capital budget totals \$23,076,605 for FY 2002 and \$40,881,211 for FY 2002–FY 2007. This includes \$21,276,605 for FY 2002 and \$30,081,211 for FY 2002–FY 2007 for ten existing capital projects and \$1,800,000 for FY 2002 and \$10,800,000 for FY 2002–FY 2007 for one proposed new capital project. OPM’s capital program will address Life/Safety issues at the D.C. Armory.

## Strategic Issues

- Work toward the implementation of a single, comprehensive real estate strategy.
- Improve customer service by assessing and documenting customer requirements and customer service.
- Manage the District’s real property assets to their highest and best use, maximizing the value of the assets under the District’s control.
- Maintain or reduce operating costs and improve service delivery.
- Improve financial accountability by developing and implementing activity-based costing budget models and performance benchmarks.
- Develop appropriate strategies whereby the District’s real property assets serve as stimuli for neighborhood planning and development.

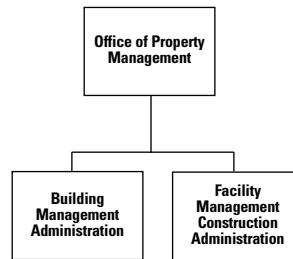
**The FY 2002 proposed capital budget totals \$23,076,605 an increase of \$5,264,605, or 30 percent, over the FY 2001 approved budget.**

## FY 2002 Initiatives

- Fully implement the Omnibus Government Real Property Asset Management Reform Act of 1999 to inventory, classify, maintain, and

Figure AM0-1

## Office of Property Management



dispose of real estate assets.

- Implement customer-focused performance measures.
- Adopt private-sector industry best practices where appropriate.

### Agency Background

In FY 1999, OPM was created by consolidating two divisions of the Department of Administrative Services (Building Management Administration and Real Property Administration), with two divisions of the Department of Public Works (Facilities Operations and Maintenance Administration and the Design, Engineering, and Construction Administration).

### Programs

The agency (figure AM0-1) provides the following programs and services:

**Portfolio Management** directs matters relating to maximizing the utilization of real estate assets, including acquisition, lease management, and planning. Rent services, included under Portfolio Management, is responsible for directing and maintaining the District's portfolio of properties that are rented to private-sector clients. The program is fully funded by Other revenue sources.

**Facility Management** administers building operations and services, including engineering, custodial inspection, repair and non-structural improvements, and the energy conservation program. The office also manages and monitors contract compliance over the District's real property. Parking is included under Facility Management and is responsible for directing matters relating to the utilization of District-owned parking facilities. The

program is fully funded by Other revenue sources.

**Protective Services** administers security contracts and develops regulations, instructions, and procedures regarding security-related functions. It provides security services for District-owned and leased facilities, and manages the District's electronic surveillance systems. The program is fully funded by intra-District funding.

**Postal Services** manages and coordinates the District's inter-agency mail program. The program is fully funded by intra-District funding.

**Facility Repair** manages facility repairs and building alterations, performs project management relating to repair activities, monitors contracts, and performs major and minor repairs. The program is fully funded by intra-District funding.

**Capital Services** provides design and engineering services, project management, and construction management oversight to the District's capital improvement program for facilities. The program is fully funded by intra-District funding.

The **Office of the Director** provides strategic direction of District real estate operations, departmental management, and administration, and develops and implements policies, regulations, and guidelines.

### Funding Summary

#### Local

The proposed local budget is \$7,261,581, an increase of \$642,075 over the FY 2001 approved budget. A decrease of \$228,807 is in personal services, and an increase of \$870,882 is in nonpersonal services. There are 48 FTEs supported by local sources, a decrease of 14 FTEs from FY 2001. Refer to the FY 2002 Operating Appendices (bound separately) for details.

Table AM0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(dollars in thousands)

Office of Property Management

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed 2002</b>	<b>Change from FY 2001</b>
Regular Pay - Cont. Full Time	10,465	8,440	9,837	1,397
Additional Gross Pay	2,925	347	507	160
Fringe Benefits	1,962	1,559	1,544	-15
<i>Subtotal Personal Services (PS)</i>	<i>15,351</i>	<i>10,346</i>	<i>11,888</i>	<i>1,542</i>
Supplies and Materials	543	1,154	848	-306
Utilities	586	520	166	-354
Communications	441	200	75	-125
Rentals - Land and Structures	630	630	864	234
Janitorial Services	0	0	171	171
Security Services	0	0	201	201
Other Services and Charges	3,600	3,547	3,539	-8
Contractual Services - Other	16,944	17,795	15,620	-2,175
Equipment and Equipment Rental	207	627	450	-177
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>22,951</i>	<i>24,473</i>	<i>21,932</i>	<i>(2,541)</i>
<b>Total Proposed Operating Budget</b>	<b>38,303</b>	<b>34,819</b>	<b>33,820</b>	<b>(999)</b>

Table AM0-2

**Full-Time Equivalent Employment Levels**Office of Property Management

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed 2002</b>	<b>Change from FY 2001</b>
Continuing full time	193.5	282.0	206.0	-76.0
<b>Total FTEs</b>	<b>193.5</b>	<b>282.0</b>	<b>206.0</b>	<b>-76.0</b>

- The net decrease in personal services comprises:
- \$240,000 increase to support 3 FTEs in the energy management staff to perform energy audits.
  - \$738,645 decrease and 17 FTEs associated with savings initiatives in FY 2001.
  - \$269,838 increase to fully fund authorized FTEs.
- The net increase in nonpersonal services is comprised of:
- \$15,358 decrease in supplies for savings initiatives in FY 2001;
  - \$354,237 decrease in utilities based on esti-

- mates and management reform savings;
- \$185,363 decrease in telecommunications from a \$60,000 use of intra-District funds, \$75,363 from management reform savings, and \$50,000 from fixed-cost estimates;
- \$81,381 decrease in rent from the use of Other funds;
- \$2,500,000 increase in other services for the "Omnibus Government Real Property Asset Management Reform Act of 1999;"

- \$1,251,618 decrease in other services for savings initiatives implemented in FY 2001;
- \$158,097 increase in other services and charges;
- \$181,448 increase in contractual services for maintenance and repair to elevators and office equipment; and
- \$80,706 decrease in equipment.

### Other

The proposed Other budget is \$1,642,976, a \$287,255 decrease from the FY 2001 approved budget. The agency receives its funds from renting out District properties and collecting fees for parking on District government properties. The \$287,255 decrease includes a \$41,751 decrease in personal services and a \$245,504 decrease in non-personal services. There are 2 FTEs supported by Other revenue sources.

### Intra-District

The proposed intra-District budget is \$24,915,607,

a \$1,353,417 decrease from the FY 2001 approved budget. Intra-District funds are derived from custodial services, guard services, facility operations, postage, capital reimbursements, and indirect costs. This amount includes a \$1,812,762 increase in personal services and a \$3,166,179 decrease in nonpersonal services. There are 156 FTEs supported by intra-District sources.

### Capital Improvements

The new proposed funding for OPM's FY 2002 capital program is \$1,800,000 for FY 2002 and \$10,800,000 for FY 2002–FY 2007 (table AM0-3). The FY 2002 capital funding is for renovations at the D.C. Armory. The renovation of the DC Armory will address Life/Safety issues at the facility. The funding will repair the building exterior, and upgrade the electrical system and roof components to continue the quartering and training of the District of Columbia National Guard. The repairs will also be made to sustain

Table AM0-3

## Capital Improvement Plan, FY 2000 – FY 2007

(dollars in thousands)

### Office of Property Management

Cost Elements	EXPENDITURE SCHEDULE										
	Through FY 2000	Budgeted FY 2001	Total	Year 1 FY 2002	Year 2 FY 2003	Year 3 FY 2004	Year 4 FY 2005	Year 5 FY 2006	Year 6 FY 2007	6 Years Budget	Total Budget
a. Design:	4,971	8,068	13,039	2,005	985	785	0	0	0	3,774	16,814
b. Site:	0	73,495	73,495	0	0	0	0	0	0	0	73,495
c. Project Management:	2,263	1,482	3,744	1,968	1,151	785	0	0	0	3,903	7,647
d. Construction:	14,300	3,357	17,657	16,104	4,900	3,200	0	0	0	24,204	41,861
e. Equipment:	1,600	1,076	2,676	3,000	3,000	3,000	0	0	0	9,000	11,676
<b>Total:</b>	<b>23,134</b>	<b>87,477</b>	<b>110,611</b>	<b>23,077</b>	<b>10,036</b>	<b>7,769</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,881</b>	<b>151,492</b>
	FUNDING SCHEDULE										
	Through FY 2000	Budgeted FY 2001	Total	Year 1 FY 2002	Year 2 FY 2003	Year 3 FY 2004	Year 4 FY 2005	Year 5 FY 2006	Year 6 FY 2007	6 Years Budget	Total Budget
a. Long Term Financing:	46,617	73,778	120,395	13,293	10,036	7,769	0	0	0	31,097	151,492
b. Tobacco Securitization:	0	0	0	0	0	0	0	0	0	0	0
c. Grants:	0	0	0	0	0	0	0	0	0	0	0
d. Pay Go:	0	0	0	0	0	0	0	0	0	0	0
e. Hwy Trust Fund:	0	0	0	0	0	0	0	0	0	0	0
f. Equipment Lease:	0	0	0	0	0	0	0	0	0	0	0
g. Alternative Financing:	0	0	0	0	0	0	0	0	0	0	0
h. Other:	0	0	0	0	0	0	0	0	0	0	0
<b>Total:</b>	<b>46,617</b>	<b>73,778</b>	<b>120,395</b>	<b>13,293</b>	<b>10,036</b>	<b>7,769</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,097</b>	<b>151,492</b>

Table AM0-4

**FY 2002 Proposed Operating Budget, by Revenue Type**

(dollars in thousands)

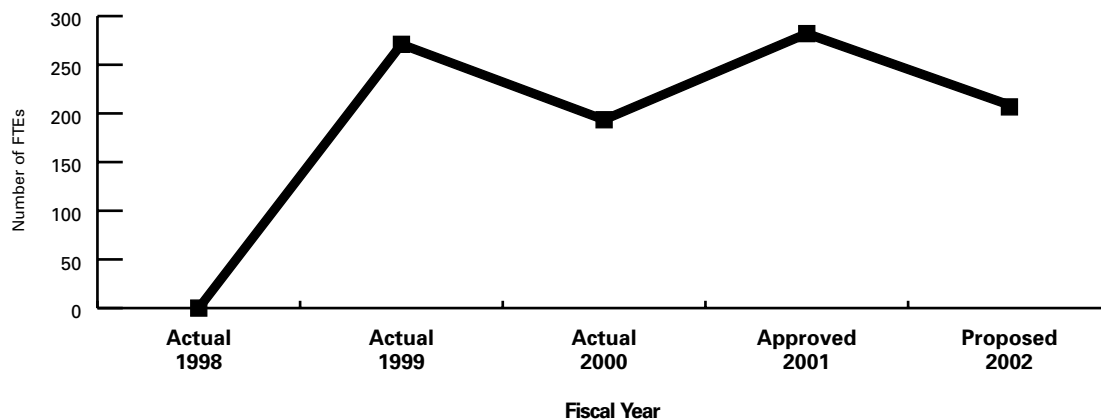
Office of Property Management

	<b>Actual FY 1998</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>
Local	0	6,948	7,163	6,620	7,262
Federal	0	500	0	0	0
Other	0	1,163	2,169	1,930	1,643
Intra-District	0	24,944	28,971	26,269	24,916
<b>Total</b>	<b>0</b>	<b>33,554</b>	<b>38,303</b>	<b>34,819</b>	<b>33,820</b>

Figure AM0-2.

**OPM Employment Levels, FY 1998–Proposed FY 2002**

(gross FTEs)



suitable facilities for major athletic events, conventions, concerts, and other activities of interest to the District.

The Office of Property Management's capital program is designed to maximize the value of the District's real property assets and create a conducive working environment for employees and other facility users. OPM currently has ten capital projects with a total funding of \$21,276,605 for FY 2002 and \$30,081,211 for FY 2002–FY 2007. The programs' primary focus is the construction, acquisition, disposition, management, and maintenance of all District-owned and leased properties.

OPM is completing an inventory and building condition assessment of all District properties and

developing an asset improvement and maintenance plan for each facility. In addition, OPM is completing its strategic utilization plan to dedicate appropriate capital resources to renovate District-owned properties that will reverse the increasing trend of District agencies leasing facility space. Refer to the FY 2002 Capital Appendices (bound separately) for details.

**Trend Data**

Table AM0-4 and figure AM0-2 shows expenditure and employment histories for FY 1998–Proposed FY 2002.

## Agency Goals and Performance Measures

### Goal 1. Increase the level of customer satisfaction with the delivery of services.

*Citywide Strategic Priority Area:* Making government work

*Manager:* Michael Lorusso, Deputy Director

*Supervisor:* Tim F. Dimond, Director

#### Measure 1.1: Percent of customers rating overall service delivery as satisfactory or above on annual OPM customer survey

	1999	2000	Fiscal Year		2003
			2001	2002	
Target	NA	NA	70	75	NA
Actual	50	52	—	—	—

### Goal 2. Increase the number of facilities that are well maintained.

*Citywide Strategic Priority Area:* Making government work

*Manager:* Iris Proctor, Administrator Facility Management Division

*Supervisor:* Michael Lorusso, Deputy Director

#### Measure 2.1: Benchmark building operation costs with industry standards (number of Building Managers and Owners Association standards)

	1999	2000	Fiscal Year		2003
			2001	2002	
Target	NA	20	15	10	5
Actual	NA	10	—	—	—

#### Measure 2.2: Complete all Priority One repairs in OPM managed facilities (number of facilities)

	1999	2000	Fiscal Year		2003
			2001	2002	
Target	14	NA	20	24	NA
Actual	14	NA	—	—	—

#### Measure 2.3: Perform facility condition assessments in District-owned facilities (number of facilities)

	1999	2000	Fiscal Year		2003
			2001	2002	
Target	14	30	50	55	NA
Actual	14	NA	—	—	—

### Goal 3. Reform the process for managing the implementation of the capital improvement program for facilities.

*Citywide Strategic Priority Area:* Making government work

*Manager:* Kandikere Krisnamurthy, Administrator, Capital Construction Division

*Supervisor:* Michael Lorusso, Deputy Director

#### Measure 3.1: Establish baseline measurement for the average time it takes to design, procure, manage and implement a capital construction project and reduce it (percent reduction)

	1999	2000	Fiscal Year		2003
			2001	2002	
Target	NA	NA	TBD	TBD	-10
Actual	NA	NA	—	—	—

### Goal 4. Stabilize agency's financial condition and management.

*Citywide Strategic Priority Area:* Making government work

*Managers:* Faith D. Scott, Budget Manager; Mike Lorusso, Deputy Director

*Supervisor:* Tim Dimond, Director

#### Measure 4.1: Establish baseline and lower agency's percent of delinquent rent receivables as a percentage of total rent receivables

	1999	2000	Fiscal Year		2003
			2001	2002	
Target	NA	20	20	15	10
Actual	NA	25	—	—	—

#### Measure 4.2: Ensure that all rent payments are made 30 days in arrears or less

	1999	2000	Fiscal Year		2003
			2001	2002	
Target	NA	NA	75	85	100
Actual	NA	NA	—	—	—

#### Measure 4.3: Manage quarterly expenses to correlate with agency spending plans (percent of plan)

	1999	2000	Fiscal Year		2003
			2001	2002	
Target	NA	NA	15	10	10
Actual	NA	NA	—	—	—